

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 185 – HB 142

March 29, 2017

SUMMARY OF ORIGINAL BILL: Requires the Bureau of TennCare (the Bureau) to notify the Chair of the Health and Welfare Committee of the Senate and the Chair of the Health Committee of the House of Representatives prior to making any reduced payments on a pro rata basis from the Nursing Home Assessment Trust Fund.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005150): Deletes all language after the enacting clause. Extends the annual nursing home assessment for FY17-18.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue - \$121,000,000/FY17-18/

Nursing Home Assessment Trust Fund

Increase State Expenditures - \$121,000,000/FY17-18/

Nursing Home Assessment Trust Fund

Increase Federal Expenditures - \$230,795,400/FY17-18/

Nursing Home Assessment Trust Fund

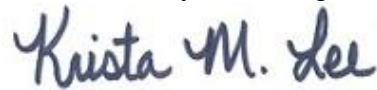
The Governor's FY17-18 proposed budget includes revenue recognition in the amount of \$121,000,000 and expenditures in the amount of \$351,795,400 in both state and federal funds as a result of the continuation of the nursing home assessment fee (Page A-37).

Assumptions for the bill as amended:

- According to the Bureau of TennCare, the assessment on nursing homes will result in an increase in state revenue to the Nursing Home Assessment Trust Fund (NHATF) of \$121,000,000 in FY17-18.
- The state revenue generated will produce federal funds in the amount of \$230,795,400 at a federal match rate of 65.605 percent. These funds will be placed in the NHATF instead of the General Fund, but will continue to be spent to reimburse nursing homes.
- The total funds available to expend from the NHATF in FY17-18 are estimated to be \$351,795,400 (\$121,000,000 state + \$230,795,400 federal).
- All revenue collected by the state, including investment earnings credited to the nursing home annual assessment free payments, interest, and penalties paid by any nursing home, and all federal funds generated by federal matching funds relative to the nursing home assessment, will be used by the Bureau of TennCare for the sole purpose of providing payments to nursing homes and use of these funds for any other purpose is prohibited.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/jem